



January 31, 2007

**Statement
Of
Anthem Blue Cross and Blue Shield
On
HB 6839 An Act Concerning Health information Technology**

Good Morning Senator Handley, Representative Sayers and members of the Public Health Committee, my name is Dr. Ellie Seiler and I am the Senior Medical Director at Anthem Blue Cross and Blue Shield in Connecticut. I am here today to speak on **HB 6839 An Act Concerning Health information Technology**.

Anthem Blue Cross and Blue is very pleased that the Connecticut Legislature is interested in the important topic of quality in healthcare and telemedicine and Anthem believes that it is a critical component in the delivery of health care that this is an important discussion point in the uninsured issue that is being consider by this Legislature.

To begin, Anthem Blue Cross and Blue Shield strongly believes that "quality costs less". Allow me to elaborate on that statement. Through our experience at the health plan, we realized that if we can assist hospitals and providers in CT to provide quality healthcare to CT residents that it will reduce medical errors and excessive costs in the delivery system. To that end, we established the *The Quality Insights: Hospital Incentive Program (Q-HIPsm)* and *Anthem Quality Insights Program*. Q-HIPsm focuses on evaluating institutional processes for patient safety, as well as specific indicators of care for patients with three common conditions: heart attack, heart failure and pneumonia and provides for financial incentives to hospitals who participate in the program and meet certain standards. We believe that in the short term this reduces the rate of medical errors will equate to improved patient health outcomes and increased satisfaction. And we believe that in the long term this will reduce medical mistakes – which cost the health care system billions each year – will lower the cost of health care for everyone.

The *Anthem Quality Insights Program* Primary care physicians and providers is a program who meet specific program requirements are eligible to qualify for increased compensation when they meet goals for selected performance measures. I have attached a press release on both programs for your review and consideration. The measures for the 2006 program include process measures

similar to those used for the Health Plan Employer Data and Information Set (HEDIS®) reporting, including Childhood and Adolescent Well Care, Asthma, Appropriate Testing for Children with Pharyngitis, Coronary Artery Disease and Diabetes. Additionally, the program includes clinical outcome measures, a pharmacy measure for prescribing generic medications when appropriate, and a technology measure for implementing electronic and disease registry capabilities in a medical office.

Anthem strongly supports the concepts behind HB 6839, and would like once again like thank the Committee for addressing this issue, but I would like to make one final point. Anthem believes that is critical that this be a long term investment by the state particularly in terms of a long term financial commitment.

I also have specific thoughts on HB 6839 , which are listed below, and in the interest of time, I will allow you to review them at a later time.

Thank you for your time and attention and I welcome any questions that you might have.

Anthem's suggestion on HB 6839:

- ♦ Section 2(d). Anthem agrees that all state agencies collecting health data must comply with the interoperability standards adopted by the office. However, WellPoint suggests, that if possible, these changes be phased in over time so that state agencies, and those providing state agencies with data, have an opportunity to work out any problems that may arise during this transition.
- ♦ Section 5 (a) to (d) WellPoint believes that nationally endorsed quality and efficiency measures should be used as the basis for developing such criteria, that collection of this data by providers should not be overly burdensome, and that data should be transmitted electronically. However, health plans participating in the Medicaid program should still be able to utilize their own programs, with their own measures, to provide incentives to providers based on their performance.
- ♦ Section 6 – Anthem support this section, but is unclear if there is federal dollars available for this under the Medicaid program. We also concerned about the rate setting that would occur for the telemedicine services.
- ♦ Section 8 – We agree that state funding needs to be provided for this initiative, but needs to be provided for this initiative, but is concerned that there needs to be a continued stream funding.

PRESS RELEASE



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**WellPoint's East Region Reports Strong, Rapid Growth with Innovative Quality Program
Rewarding Hospitals for Patient Safety, Health Outcomes and Satisfaction**
*Nearly 80 Hospitals in 2006 Program to Help Reduce Medical Errors and Increase Patient
Safety; New York Plan to Adopt Program in Fourth Quarter 2006*

NEW YORK CITY, NY, August 16, 2006 – WellPoint's health plans in Connecticut, New Hampshire, Maine, Georgia and Virginia are collaborating with 79 hospitals in the 2006 *Quality Insights Hospital Program* (Q-HIPsm), an innovative quality initiative launched initially in Virginia in 2003. To date, WellPoint's Virginia plan has awarded a total of \$18 million to participating hospitals there.

Q-HIPsm offers participating hospitals financial incentives linked to meeting specific performance objectives focused on improving patient safety, health outcomes and satisfaction. The quality programs serve the respective plans' approximate 14 million members throughout the company's East Region.

WellPoint's health plan in New York anticipates adopting Q-HIPsm as a best practice later this year. Beyond WellPoint's East Region, other company plans that have implemented similar programs include Nevada and Colorado.

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From 2003 through 2006, participating WellPoint East Region Q-HIPsm hospitals have been implemented in:

- **2003, Virginia** – Program launched in 2003 with 16 pilot hospitals; currently 49 hospitals are participating
- **2005, Connecticut** – Seven hospitals involved in the program, which was launched in the fall of 2005
- **2005, Maine** – 15 hospitals currently participating since the inception in the fall of 2005
- **2006, Georgia** – Seven hospital programs joined the pilot program in January 2006, plus two of the state's largest multi-hospital health systems joined the program in August 2006
- **2006, New Hampshire** – One facility started in second-quarter 2006
- **2006, New York** – Program to be implemented in late 2006

The Quality Insights: Hospital Incentive Program (Q-HIPsm)

Q-HIPsm focuses on evaluating institutional processes for patient safety, as well as specific indicators of care for patients with three common conditions: heart attack, heart failure and pneumonia. The new initiative is designed to help support hospitals in overcoming barriers to improve the quality of clinical care. Hospital participants will be responsible for collecting, documenting and submitting data, and a hospital executive will be asked to attest to data validity and processes in accordance with industry standards.

Q-HIPsm performance objectives are based on safety and care processes adopted by leading organizations including the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), the Leapfrog Group, and where applicable, respected industry authorities such as the American College of Cardiology (ACC). By using nationally accepted and standardized safety and quality of care metrics within the Q-HIPsm program, these companies are working to encourage hospitals to focus on improving their performance to meet or exceed clinical outcome and process improvement goals while minimizing administrative burdens associated with reporting.

“With the growing momentum of Q-HIP, we are able to work with many more hospitals to continually raise the bar of quality for health care delivery,” said Michael A. Stocker, M.D., president and CEO, WellPoint’s East Region. “Short term, helping to reduce the rate of medical errors will equate to improved patient health outcomes and increased satisfaction. Long term, reducing medical mistakes – which cost the health care system billions each year – will lower the cost of health care for everyone.”

Patient Safety

The patient safety performance objectives are based on guidelines set by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), National Quality Forum (NQF) and the Leapfrog Group. Participating hospitals will be measured on objectives that include the adoption of JCAHO patient safety goals and implementation of patient safety initiatives, such as a computerized physician order entry, which has been shown to reduce serious medication errors by 88 percent.

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Patient Outcomes and Satisfaction

Performance indicators for heart attack, heart failure and pneumonia match those already reported to organizations such as the Centers for Medicare and Medicaid Services. They include evidence-based interventions such as use of aspirin and other heart-protective medications, smoking cessation advice, appropriate antibiotic administration and immunizations. Patient satisfaction is tracked through a member survey that includes several health status questions. In this way, the relationship among improvement in care processes, health outcomes and patient satisfaction can be linked.

"We commend all of our Q-HIP hospitals for their collaboration and willingness to participate in a continuous quality improvement program," said Daniel P. Finke, R. Ph., vice president, Health Care Management, WellPoint's East Region. "Customer focus is of utmost concern to us and so we applaud the vast network of hospitals that have committed to addressing the critical issues of patient safety and satisfaction. Together, we're trying to drive real change in the health delivery system," he explained.

Rewarding Participating Physicians and Providers of Primary Care Services

Under the umbrella of the *Anthem Quality Insights Program*, plans in Connecticut, New Hampshire and Maine are also rewarding clinical quality by collaborating with tens of thousands participating primary care physicians and providers of primary care services to further improve quality of care.

Primary care physicians and providers throughout the East Region who meet specific program requirements are eligible to qualify for increased compensation when they meet goals for selected performance measures. The measures for the 2006 program include process measures similar to those used for the Health Plan Employer Data and Information Set (HEDIS®) reporting, including Childhood and Adolescent Well Care, Asthma, Appropriate Testing for Children with Pharyngitis, Coronary Artery Disease and Diabetes. Additionally, the program includes clinical outcome measures, a pharmacy measure for prescribing generic medications when appropriate, and a technology measure for implementing electronic and disease registry capabilities in a medical office.

In the fall of 2005, the *Quality Insights* Web portal was added as an additional program support for the company's participating providers in the Northeast Region. "We believe the information and Web tools provided through our secure online portal can assist eligible primary care providers by supplying pertinent information, including patient specific data to improve care compliance, as well as help them to maximize their reward opportunity," said Finke. "That's why we encourage, and in the future will incent, eligible providers to enroll in the free AQI portal. Through the portal, they can gain access to electronic data submission forms, the technology survey, progress reports, as well as receive monthly practice-specific information about generic drug utilization."

WellPoint's mission is to improve the lives of the people it serves and the health of its communities. WellPoint, Inc. is the largest health benefits company in terms of commercial

membership in the United States. Through its nationwide networks, the company delivers a number of leading health benefit solutions through a broad portfolio of integrated health care plans and related services, along with a wide range of specialty products such as life and disability insurance benefits, pharmacy benefit management, dental, vision, behavioral health benefit services, as well as long term care insurance and flexible spending accounts.

Headquartered in Indianapolis, Indiana, WellPoint is an independent licensee of the Blue Cross and Blue Shield Association and serves its members as the Blue Cross licensee for California; the Blue Cross and Blue Shield licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri (excluding 30 counties in the Kansas City area), Nevada, New Hampshire, New York (as Blue Cross Blue Shield in 10 New York City metropolitan and surrounding counties and as Blue Cross or Blue Cross Blue Shield in selected upstate counties only), Ohio, Virginia (excluding the Northern Virginia suburbs of Washington, D.C.), Wisconsin; and through UniCare. Additional information about WellPoint is available at www.wellpoint.com.

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